Government of Saskatchewan

Financial Statement 2004-2005

Saskatchewan Learning

School Division Tax Loss Compensation Fund

Saskatchewan Centennial 2005

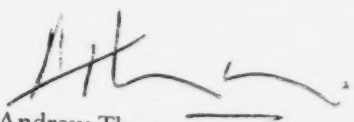
Letter of Transmittal

The Honourable Dr. Lynda M Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour,

I have the honour to submit for your consideration the Financial Statements of the School Division Tax Loss Compensation Fund for the year ending March 31, 2005.

Respectfully submitted,



Andrew Thomson
Minister of Learning

SCHOOL DIVISION TAX LOSS COMPENSATION FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2005

Provincial Auditor Saskatchewan

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SASKATCHEWAN

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the School Division Tax Loss Compensation Fund as at March 31, 2005 and the statement of operations and net assets for the year then ended. The School Division Tax Loss Compensation Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the School Division Tax Loss Compensation Fund as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 29, 2005

Fred Wendel, CMA, CA
Provincial Auditor

Statement 1

School Division Tax Loss Compensation Fund
Statement of Financial Position
As at March 31

	2005	2004
Financial Assets		
Due from General Revenue Fund (Note 4)	$ 5,000,856	$ 6,168,356
Accounts receivable	684,149	45,594
	5,685,005	6,213,950
Liabilities		
Accounts payable	584,654	1,483,792
Net assets (Statement 2)	$ 5,100,351	$4,730,158

(See accompanying notes to the financial statements)

School Division Tax Loss Compensation Fund
Statement of Operations and Net Assets
For the Year Ended March 31

	2005	2004
Revenue		
Contributions	$ 1,041,620	$ 2,745,180
Interest income	109,788	133,516
	1,151,408	2,878,696
Expenses		
Compensation to school divisions (Note 7)	781,215	2,058,885
Surplus for the year	370,193	819,811
Net assets, beginning of year	4,730,158	3,910,347
Net assets, end of year - to Statement 1	$ 5,100,351	$ 4,730,158

(See accompanying notes to the financial statements)

SCHOOL DIVISION TAX LOSS COMPENSATION FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2005

1. Purpose and Creation of the Fund

The School Division Tax Loss Compensation Fund (Fund) was created by an amendment to *The Education Act, 1995* through *The Treaty Land Entitlement Implementation Act*. The amendment came into force on June 22, 1993. Order in Council #840/94 established regulations to administer the Fund on December 14, 1994.

The Fund is administered by the Department of Learning on behalf of school boards. The purpose of the Fund is to provide tax loss compensation to school divisions that lose tax revenue as a result of lands within that school division being set apart as an Indian reserve. The Fund receives money from the provincial (First Nations and Métis Relations) and federal (Indian Affairs and Northern Development Canada) governments as part of the treaty land entitlement agreements. Payments are made to affected school divisions according to the formula stated in the regulations.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results may differ from those estimates.

3. Related Party Transactions

The Fund has not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Department of Learning. Included in revenue is $312,495 (2004-$823,554) from First Nations and Métis Relations (previously Government Relations and Aboriginal Affairs), of which $205,254 (2004-$13,678) was receivable at March 31, 2005.

4. Due from the General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund. The Fund's interest is calculated and paid from the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate and the Fund's average daily account

balance. The Government's average thirty-day borrowing rate for the year ended March 31, 2005 is 2.19% (2004-2.79%).

5. Financial Instruments

The Fund's financial instruments include due from General Revenue Fund, accounts receivable and accounts payable. Due to the immediate or short-term nature, the fair value of these financial instruments approximates their carrying values.

6. Cash Flow Statement

A cash flow statement has not been presented since the cash flow information is readily apparent from the other financial statements.

7. Compensation to School Divisions

The following lists the organizations that have or will receive money from the Fund.

Organization	2005	2004
Aspen Grove School Division #144	$ 122,886	$ 35,293
Battle River School Division #60	25,289	8,285
Battlefords School Division #118	52,293	371,662
Biggar School Division #50	24,320	10,632
Cupar School Division #28	-	21,081
Indian Head School Division #19	-	6,584
Lakeview School Division #142	30,075	-
Landswest School Division #123	-	26,547
Maple Creek School Division #17	6,442	-
Meadow Lake School Division #66	44,738	1,080,215
Melville-Deer Park School Division #26	57,822	77,353
Northern Lakes School Division #64	161,733	7,386
Parkland School Division #63	-	3,983
Potashville School Division #80	34,274	22,431
Qu'Appelle Valley School Division #139	62,136	-
Saskatchewan Central School Division #121	8,587	21,648
Saskatchewan Valley School Division #49	88,496	3,854
Scenic Valley School Division #117	-	104,264
Shamrock School Division #38	-	10,972
Turtleford School Division #65	50,603	246,695
York School Division #36	11,521	-
Total	$ 781,215	$ 2,058,885